

§ 847.808 Is money in the NAFI retirement fund covering NAFI service that an employee elects to use for immediate retirement under CSRS or FERS, transferred to the Civil Service Retirement and Disability Fund?

Money in the NAFI retirement fund covering NAFI service that an employee elects to use for immediate retirement under CSRS or FERS under this subpart cannot be transferred to the Civil Service Retirement and Disability Fund.

§ 847.809 What effect will NAFI service used to qualify for an immediate retirement have on the amount of the CSRS or FERS annuity?

The annuity of a CSRS or FERS employee who elects to credit NAFI service under this subpart will be reduced under the provisions outlined in subpart I of this part.

Subpart I—Computing the Retirement Annuity for Employees Who Elect To Use NAFI Service To Qualify for an Immediate CSRS or FERS Retirement

SOURCE: 68 FR 2181, Jan. 16, 2003, unless otherwise noted.

§ 847.901 What information is in this subpart?

This subpart contains OPM's regulations describing the computation of a CSRS or FERS retirement annuity when an employee elects to use NAFI service to qualify for immediate retirement under subpart H of this part.

§ 847.902 How does an election to credit NAFI service for immediate CSRS or FERS retirement under subpart H of this part affect the computation of the CSRS or FERS retirement annuity?

The retirement annuity of an employee who elects to use NAFI service to qualify for an immediate CSRS or FERS retirement benefit will be reduced to ensure the present value of the benefits payable will be actuarially equivalent to those that would have been payable if the employee had separated on the same date, but without credit for the NAFI service.

§ 847.903 How is the monthly reduction to the retirement annuity computed?

(a) The reduction equals:

(1) The difference in the present value of the immediate annuity with credit for NAFI service and the deferred annuity without credit for NAFI service, divided by

(2) The present value factor for the retiree's attained age (in full years) at the time of retirement.

(b) The reduction computed in paragraph (a) of this section is rounded to the next higher dollar.

§ 847.904 What are Present Value Factors

Present value factors have the same meaning in this subpart as they do in 5 CFR 847.602.

§ 847.905 How is the present value of an immediate annuity with credit for NAFI service computed?

(a) OPM will determine the present value of the immediate annuity including service credit for NAFI service by multiplying the monthly annuity rate as of the commencing date of the annuity by the present value factor for the retiree's age on that date.

(b) The monthly annuity rate under paragraph (a) of this section for CSRS and CSRS Offset retirees equals the monthly rate of annuity otherwise payable under 5 U.S.C. chapter 83, subchapter III, including all reductions provided under that subchapter.

(c) The monthly annuity rate under paragraph (a) of this section for FERS retirees equals the monthly rate of annuity otherwise payable under 5 U.S.C. chapter 84, subchapter II, including all reductions provided under that subchapter.

§ 847.906 How is the present value of a deferred annuity without credit for NAFI service computed?

(a) The present value of a deferred annuity equals the present value of the deferred annuity without credit for the NAFI service as of the deferred annuity date discounted for interest to that date.

(b) The present value of the deferred annuity without credit for the NAFI service as of the deferred annuity date